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August 27, 2008

Mr. Carlito P. Caliboso Chairman Public Utilities Commission Department of Budget and Finance 465 South King Street, Room 103 Honolulu, Hawaii 96813

Re:

Wai`ola O Moloka`i, Inc., and MOSCO, Inc. for Temporary Rate Relief

Docket No. 2008-0115 - In Re. Molokai Public Utilities, Inc.,

Dear Mr. Caliboso:

We are writing to you as legal counsel for Molokai Properties, Ltd. ("MPL"), in response to your letter referenced above. The decision whether or not to continue to provide utility services after August 31, 2008, is one for the Utilities to make and is, therefore, outside the scope of this reply.

We wish to call your attention to the fact that the supposed finding by the Department of Health that MPL is the alter ego of the Utilities is something that was never alleged in those proceedings, was improperly addressed in the decision, and will be challenged on appeal, unless the Department of Health elects to rescind it. MPL disputes any claim or finding that it is the alter ego of the Utilities.

Very truly yours,

James N. Duca

JND:ja